

- Limetree has recently told EPA that it anticipates restarting portions of the refinery operations by as early as August 1, 2019, rather than January 1, 2020.
- The anticipated August 1 restart date makes it all the more important that EPA and VIDPNR give this matter a high priority and that there be effective, focused coordination between our two agencies.
- Several Clean Air Act matters requiring coordination between EPA and the VI are pending before the governments, including:
 - Consent Decree modification negotiations
 - Refinery Sector Rule compliance extension requests submitted to both the VI and EPA
 - Limetree has submitted and intends to submit additional revisions to the facility's Title V permit renewal application. And, Limetree is concerned with timing of DPNR's issuance of the renewal permit.
 - EPA and DPNR have been working together to revise a State Implementation Plan rule to reflect a change that Limetree has made to the facility, which DPNR needs to process as a SIP revision.
 - Limetree has requested that monitors used to conduct sulfur dioxide ambient air monitoring be removed. DPNR and EPA agree that monitoring requirements are needed and need to discuss this with Limetree.
 - EPA is reviewing Limetree submissions related to the Regional Haze FIP to determine if controls will be required for a Regional Haze SIP, which the VI will also need to process.
- The item I'd like to focus on with you right now is the **Consent Decree modification negotiations**.
- The VI is a co-signer of the HOVENSA consent decree, entered by the court in June 2011.

Enforcement/Investigatory / Ex. 7(a)

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BACKGROUND INFORMATION

Enforcement/Investigatory / Ex. 7(a)

- **Refinery Sector Rule requests for extension**
 - Limetree has requested extensions of the Refinery Sector Rule from both the VI and the EPA. It is concerned that it cannot comply upon restart with the Refinery Sector Rule requirements affecting the delayed coker unit,

miscellaneous process vents, pressure relief devices, flares, and fence line monitoring provisions.

- The rule became effective in December 2015 and EPA made technical amendments and clarifications to parts of the Rule, which became effective in November 2018.
- Scheduling meetings between the VI and EPA has been problematic. We have reached out to the VI several times asking to reschedule dates but have not yet heard back on when the VI is available for the new call.
- We are planning to talk with Limetree after we've spoken with the VI.

- **Title V permit issuance**

- The existing title V permit for the facility contains all the CAA requirements that were applicable to the facility at the time of issuance. The renewal application requests the inclusion of new regulations, conditions in new VIDPNR permits issued recently by the VIDPNR and conditions specified in the 2011 CAA Consent Decree for inclusion in the title V permit.
- Limetree asked EPA and the VIDPNR to indicate whether the facility can restart in accordance with its title V permit renewal application.
- In consultation with OGC and OAR, EPA R2 provided the VIDPNR advice on the law relating to Limetree's question and, on April 24, EPA sent Limetree its opinion that the facility can operate in accordance with the title V renewal application, provided the application is complete and the additional or updated requirements to be included in the permit do not constitute modifications under title I of the CAA and do not significantly change monitoring, recordkeeping and/or reporting requirements in the existing permit.
- Limetree is preparing new revisions to its title V permit renewal application and will continue to provide revisions as it develops its phased-in restart and as the VIDPNR and EPA issue underlying permits that must be incorporated into the title V permit.
- Modifications to the CD will also need to be incorporated into the permit renewal.

- **SIP Rule redrafting**

- EPA has been working with the VIDPNR to update a State Implementation Plan (SIP) provision to reflect a change Limetree has made to the former HOVENSA facility. Additional EPA edits were provided to the VIDPNR in late April.
- Limetree has requested a copy of the draft rule prior to its being processed for legislative approval and thereafter submission for SIP revision.

- **Sulfur Dioxide (SO₂) monitoring**

- Given the uncertainty and assumptions used for the EJ analysis being conducted by EPA (see below), EPA strongly recommends an ongoing air monitoring network to provide certainty that the restart of Limetree will not interfere with attainment of the National Ambient Air Quality Standards.
- Prior to the HOVENSA shutdown, monitoring was conducted to address uncertainty in achieving the new 1-hour SO₂ NAAQS.
- EPA's concerns have not changed with the restart of Limetree. We understand DPNR staff share these concerns.

Deliberative Process / Ex. 5

- VIDPNR should continue to monitor for PM_{2.5} (fine particulates) .

- **Regional Haze**

- EPA developed a Regional Haze Federal Implementation Plan in 2012.
- This Haze Plan did not contain specific control requirements for HOVENSA since HOVENSA had shutdown at the time. However, the Haze FIP did rely on the emission reductions expected to be achieved from the existing HOVENSA Consent Decree and require HOVENSA, now Limetree, to provide EPA with specific information regarding the start-up of emission units subject to the Haze requirements.
- The existing Haze FIP provides five years after the effective date of the revised FIP or SIP for Limetree to install any emission controls determined to be required after EPA reviews the emission sources to be re-started and the FIP/SIP is revised.
- Limetree recently provided detailed information to EPA regarding sources subject to Haze. EPA continues to review the information in order to determine whether any additional controls are required.
- Limetree is seeking a determination as to whether the information provided is sufficient and as to whether controls will be needed prior to its now anticipated "soft" start date of August 1, 2019.
- It is anticipated that additional analysis of available controls will take several months to reach a final decision.

- **Matters EPA is working on independent of the USVI:**
 - **Plantwide Applicability Limit (PAL) Permit**
 - EPA continues to review Limetree's application for PAL permits.
 - The Limetree PAL permit application (for SO₂, NO_x, VOC, CO, PM, PM₁₀, and PM_{2.5}) was deemed complete on 12/28/2018.
 - EPA projects proposing the permit for public review and issuing a public notice in Summer 2019, provided the EJ analysis is deemed acceptable.
 - It is difficult to predict what the public input will be on the permit, but EPA projects issuance of a final permit by the end of 2019 after considering public comments.
 - The PAL permit can then be incorporated into the facility's title V permit as an administrative amendment.
- **Environmental Justice**
 - Concurrent with the proposed PAL permit, EPA will complete its review of the Environmental Justice analysis conducted by Limetree to be consistent with a Presidential Executive Order requiring an EJ analysis.
 - EPA and Limetree have been engaged in discussions on various aspects of the modeling protocol for the EJ analysis.
 - Limetree has indicated it will submit the protocol for EPA review within the next two weeks. After EPA approves the protocol, Limetree will conduct the analysis.
- **MACT Subpart Y**
 - The EPA team deliberating on the enforcement issues related to the facility's compliance with MACT Subpart Y has been in consultation with upper level management both in OECA and OAR and a decision has not yet been made.
 - Once a decision is made, EPA will discuss the Agency's position with the VIDPNR and determine how to proceed.